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THE AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Madison

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OUTCOME OF BRITISH CONFERENCE IN DOUBT

Ottawa Trade Meeting Strikes Snags over Preferential Tariffs for Empire Nations

LOSS OF FOREIGN TRADE FEARED

American Interest in Negotiations Great Because of Trade with Canada

How to increase their trade with each other without causing a decline in their commerce with foreign nations is the fundamental task confronting the members of the British Empire which have been meeting at Ottawa since July 22. Each nation has been seeking to obtain agreements with the others which will assure it wider markets for its products, both agricultural and industrial. At the same time, each has had to face the hard fact that a large part of its trade is carried on with countries outside the empire, the loss of which would result in serious consequences to its industries and its individual citizens.

COMMITTEES

The work of the imperial economic conference is now well under way. Each of the self-governing democracies—the United Kingdom,—(which includes Great Britain and Northern Ireland) the Irish Free State, Canada, Australia, New Zealand, Newfoundland and the Union of South Africa, as well as India, which does not enjoy the same political independence as the dominions, has presented its case, outlined its policies, made its demands upon the others and indicated what concessions it is prepared to make in order to establish closer imperial trade relations.

The specific problems connected with this objective have been turned over to committees, of which there are five. The most important of these is the Committee on the Promotion of Trade within the Empire. Its principal task is to consider proposals for lowering the tariffs on goods produced within the empire in order to facilitate their sale in the various nations. The other four groups are (1) the Committee on Customs Administration; (2) the Committee on Commercial Relations with Foreign Countries; (3) the Committee on Monetary and Financial Questions; and (4) the Committee on Methods of Economic Coöperation.

Much of the success of the conference as a whole will depend upon the success of the Trade Promotion Committee. As has been the case in the past when the British Empire has met to seek means of increasing imperial trade, the present gathering at Ottawa hopes to work out a series of tariff agreements, or treaties, which will make it easier for each member of the empire to sell its products on the markets of the others. And it is this problem that has been placed in the hands of the Trade Promotion Committee.

IMPERIAL PREFERENCE

The principle underlying the negotiations is imperial preference—a principle which has been advocated by various groups in Great Britain and the dominions for many years. Their belief is that all members of the empire will increase their trade if a system of preferential tariffs

(Concluded on page 7, column 1)



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GENERAL PELHAM D. GLASSFORD

General Glassford Shows Great Moderation in Handling B. E. F. Situation

Brigadier-General Pelham D. Glassford, chief of police of the District of Columbia, had an unusual responsibility thrust upon him when the thousands of bonus marchers settled themselves in the city of Washington two months ago. He was confronted by a situation such as we see occasionally in every organized government. A great number of men, and later of women and children, had come unbidden and established themselves in the community. They took up quarters illegally on property which was not theirs. They obeyed certain of the injunctions of the police and ignored others. It was a case of passive resistance, and passive resistance tests the wisdom of a government as do few other ordeals. When government officials have to meet opposition of this kind they may be restrained and considerate for a while, but after a time as their authority is flouted they lose patience, their pride is hurt, and they strike out sternly and ruthlessly. It has often been the case that this has happened when the government officials were members of the military establishment, for army officers are trained in the use of force and it may reasonably be expected that they will resort more freely than do civilian officials to its exercise.

General Glassford is a military man. He is a brigadier general; but if for that reason it might have been expected that he

would quickly substitute cold steel for patience, the expectation went amiss. General Glassford throughout the crisis was firm, resolute, and at the same time considerate. He had a program and he held to it. He conferred with the leaders of the men. He substituted reason for force whenever it was possible to do so. When finally the order was given that space occupied by the men was to be cleared for building operations, he went about the work of eviction with all possible moderation. He had the courage to go himself into places of danger. He was pelted with bricks, and yet he was not deflected from his original undertaking. He used force only so far as was necessary.

It is not an easy thing to be struck by a brick and then go ahead with the same program which was decided upon before. That is what General Glassford did. In the midst of a severe crisis he kept his head. Without losing his resolution he retained a policy of humanity and human sympathy until the federal troops arrived and took the situation out of his hands.

There is ample testimony to show that a majority of the veterans sincerely appreciated General Glassford's treatment of them. They realized full well his difficult position and it was only at the last moment in the general excitement that they showed any resentment.

BONUS ARMY EVICTED BY FEDERAL TROOPS

Hoover Summons Forces when District Commissioners Appeal for Assistance

EX-SOLDIERS AND POLICE CLASH

B. E. F. Camps Burned. Veterans March to Johnstown, Pennsylvania

A spectacular, dramatic and tragic event occurred in the nation's capital during the last week of July and reports of it, some of them true and some of them garbled, have formed a basis of excited conversation throughout the country and the world. We refer, of course, to the eviction from the city of Washington of the so-called "Bonus Army" by the federal troops on July 28 and 29. That we may see this affair in its proper setting it may be well to trace quite briefly the course of events during the last two months.

THE SETTING

About the first of June veterans of the World War began to straggle into Washington. They did this as a result of a concerted plan. They came to petition that the life insurance policies which were given to the soldiers at the close of the war should be paid to them in cash at once. Last year they were given the right to borrow on these policies up to half the amount they were ultimately to receive. They asked this year that they be given the rest as a bonus without further waiting. Congress was then in session. The bonus measure had been introduced. Pending action by Congress these ex-soldiers, "the Bonus Army," as they were called, went into camp. Part of them were quartered on Pennsylvania Avenue, two or three blocks from the Capitol grounds. They put up rude shacks, not much larger than dog kennels. Some of them found lodging places in old buildings which had been partly destroyed preparatory to the erection of new government buildings on the premises. Another section of the "army" was quartered on the flats of the Anacostia River just outside the city limits. There are no exact figures as to the number of the veterans. Some say there were never more than 15,000 here. Others put the figure twice as high. Twenty thousand appears to be a fair estimate.

These men seemed to be representative of the unemployed population. No doubt some of them were adventurers. Others were ne'er-do-wells who probably cared little for employment. But most of them appeared to be quite ordinary victims of the depression. They were just men out of work, who had come to Washington in the hope of getting the bonus and with the thought, perhaps, that at least they would be as well off here as in their local communities where work was not to be had. There were a few Communists and trouble makers among them. Such persons gravitate naturally to any quarter where there is protest or discontent. But the Communists were relatively few and were roughly treated by a majority of the men. The attitude of the police department, under the leadership of General Glassford, was firm and at the same time sympathetic. There was practically no



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IN THE SHADOW OF THE CAPITOL—DESTRUCTION OF THE BONUS CAMP
ON PENNSYLVANIA AVENUE

disorder. Food and other supplies were furnished in part by miscellaneous private charity and in part through large gifts made by certain wealthy sympathizers.

When it became apparent that Congress would adjourn without passing the bonus legislation, the mood of the men was surly but their anger was not uncontrolled. During the last hours of the session several hundred of the more radical among the veterans picketed the Capitol, marching slowly up and down in a thin, ragged, forlorn and discouraged line along the outer border of the Capitol Plaza. After adjournment, small radical groups of the "army" turned attention from the Capitol to the White House and undertook on two or three occasions to march back and forth in front of the Executive Mansion. They were prevented from doing this by the police, who formed a cordon extending a block on all sides of the White House and held up traffic until the would-be picketers were dispersed.

The government, meanwhile, had adopted the policy of encouraging the men to go back home. It agreed to lend money to any one of them to pay for the trip. Quite a large number took advantage of this offer. The president estimates that 5,000 left. Any one could see that the men were departing in considerable numbers. Some observers of the situation thought that the breaking up process would continue and that the problem of the "Bonus Army" would soon be solved. Apparently the administration leaders thought otherwise, for they announced their decision to compel the men at once to leave the government property on Pennsylvania Avenue. It was said that the government wished to proceed with its building program and that the men were impending progress.

USE OF FORCE

Accordingly the ex-soldiers were ordered to leave this property. They refused to do so. Then came the clash. On Thursday, July 28, the police set to work to put them out. The officers used their clubs and the men threw bricks. A number on each side were hurt and one veteran was killed, having been shot by a policeman who had been struck by a brick. Eventually the veterans were expelled by the police from the area where the building operations were to begin.

Meanwhile, veterans from other camps were marching to the avenue to assist their comrades who were being evicted. The situation was an ugly one. Could the police hold the ground they had taken—the area they had cleared for the building operations? General Glassford, superintendent of police, thought they could, and he opposed efforts at that time to extend operations by driving the men from the rest of the camp and from their other quarters in the city. The district commission-

ers, however, held that the police were unequal to the job and they called upon the president for help. Thereupon President Hoover called for troops from Fort Myer and the federal military authorities took the situation in hand.

There came from Fort Myer an imposing force, consisting of cavalry, infantry and tanks. There was a show of helmets, gas masks and bayonets. The cavalry rode into a mass of spectators who were lined along the avenue opposite the camp. Civilians who could not get out of the way fast enough were struck with sabres. The troops rushed the camp of the veterans, clearing it by the use of tear gas bombs. When the men were driven out, the shacks were burned. Operations were not confined to the area which had been cleared by the police. The bonus camps in different parts of the city and out in Anacostia were cleared and burned, and men, women and children were driven from the city in the night.

THE PRESIDENT'S STATEMENT

In explanation of the government's action, President Hoover made this statement:

For some days police authorities and Treasury officials have been endeavoring to persuade the so-called bonus marchers to evacuate certain buildings which they were occupying without permission.

These buildings are on sites where government construction is in progress and their demolition was necessary in order to extend employment in the district and to carry forward the government's construction program.

This morning the occupants of these buildings were notified to evacuate and at the request of the police did evacuate the buildings concerned. Thereafter, however, several thousand men from different camps marched in and attacked the police with brickbats and otherwise injuring several policemen, one probably fatally.

I have received the attached letter from the Commissioners of the District of Columbia, stating that they can no longer preserve law and order in the district.

In order to put an end to this rioting and defiance of civil authority, I have asked the army to assist the district authorities to restore order.

Congress made provision for the return home of the so-called bonus marchers, who have for many weeks been given every opportunity of free assembly, free speech and free petition to the Congress. Some 5,000 took advantage of this arrangement and have returned to their homes. An examination of a large number of names discloses the fact that a considerable part of those remaining are not veterans; many are Communists and persons with criminal records.

The veterans amongst these numbers are no doubt unaware

of the character of their companions and are being led into violence which no government can tolerate.

I have asked the Attorney General to investigate the whole incident and to cooperate with the District civil authorities in such measures against leaders and rioters as may be necessary.

PRO AND CON

The *New York Times* defends the action of the government authorities in this editorial comment:

What had long been feared has now come to pass in Washington. The "Bonus Army," after weeks of defying decency, has broken out into violent defiance of the law and the public authorities. Its settling down at the capital was from the first a scandal. Today it has become a national reproach and even danger. With rioting in the streets of Washington by veterans so inflamed and bloody that the police could not keep order, the President could do no other than call upon the army to take the situation in hand. Mr. Hoover's statement of his reasons for this action is convincing. As he says, some of the

veterans have resorted to "violence which no government can tolerate." The misguided men have refused to listen to persuasion. Now they must submit to compulsion.

Till the present the authorities have been most patient, tolerant and even sympathetic in their treatment of the encamped and militant veterans. When efforts to induce bonus seekers to go home failed, Congress passed a bill, which the President signed, to loan them the money to return where they came from. But this led to only a partial exit. Several thousand men declared that they were resolved to stay on in Washington or its environs until the Government either acceded to their demands or removed them by military force. Reluctance of the Administration to make use of the latter was obvious. President Hoover has shown great forbearance. But in the crisis something decisive had to be done, if we were to be relieved of what most Americans were coming to feel to be a national disgrace.

The *Baltimore Sun*, representing the opinions of those who believe the action of the government to have been unwise and unnecessarily harsh, makes this statement:

It is no sufficient explanation of this drastic and ruthless change in policy, this substitution of charging armed forces for a policy of moderation and suasion that had been pursued with advantage for two months, to talk now from the White House pulpit about putting down mob rule. The mob became a mob after force had suddenly been ordered, and even then the mob behaved with a restraint that compares very favorably with cavalymen waving sabers and riding their horses into masses of spectators. What rational men and women—refusing to be swept off their feet by the spectacle of a nation's military might in action or by the spectacle of a nation's Chief Magistrate citing sopho-

moric lessons in civics—will wish to know is: What happened to put high officialdom in such a "muck of a sweat" on Wednesday evening and Thursday morning? Why was it necessary, after these two months of successful handling of the veterans, to begin suddenly using troops to save the nation from Communists and criminal characters and mob law?

And pending a satisfactory answer to that question, may we suggest that somebody somewhere in Washington clap an official hand over the mouth of General Douglas MacArthur, chief of staff? That gentleman, who sent all the way to Fort Myer for a uniform, so that he could be properly garbed for a military operation which could have been carried out by a colonel and a few men armed with tear bombs, is unburdening himself of military romanticism undefiled, bare of the tiniest alloy of common sense. We learn from General MacArthur that if Mr. Hoover had waited just a little bit longer it would have been too late. Twenty-four hours, and there would have been a real battle. A week, and the institutions of our Government would have been severely threatened, apparently with absolute menace to all civilization, for the general says "this country is the focal point of the world today." If this talk persists, people may decide that it reflects the Government's mind.

And what bosh it is! A handful of forlorn men, of so little economic power that they had to live on handouts; of so little political power that Congress turned on its heel and left them sitting in their hovels; of so little military power that actually a few tear bombs sent them scurrying into the night from their wretched shelters. These were the "insurrectionists" who were to endanger the nation and menace civilization. What bosh!

PRESENT SITUATION

After the veterans had been driven out of Washington they were invited to Johnstown, Pennsylvania, by the mayor of that city, Eddie McCloskey. Many of the people of Johnstown objected strenuously to the invitation, but it was given nevertheless, and six or seven thousand men are now encamped in that place. Their commander, W. W. Waters, planned for a time to move them to a point in Maryland between Baltimore and Washington. A tract of twenty-five acres of timber land was donated to Waters by Mrs. Maude Edgell. Waters proposed to camp there and put the men to work on the land. He hoped to enlarge the area and to make it the headquarters for an organization known as "Khaki Shirts." He invited the unemployed of the nation, whether they were veterans of the World War or not, to join in a protest against unemployment.

At this point, Governor Ritchie, of Maryland, intervened. He held a conference with Waters and talked things over firmly and candidly. He explained that the camp was unsanitary, that it offered no adequate means of employment for the men, and that it would contribute to the relief problems of the state of Maryland. He intimated that he might be obliged to call the vagrancy laws into effect to prevent the establishment of the camp, but he placed his chief dependence upon an

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ARMY TANKS AND CAVALRY ROUTING THE BONUS ARMY



CASTLE OF GNANDSTEIN, NEAR LEIPZIG, GERMANY

This castle was built 900 years ago as a protection against the Slavs. The picture was sent by one of our German correspondents.

Foreign Correspondence

This is the time of year for vacations and many of our foreign friends have been taking holiday trips and have been good enough to send us their impressions of the countries or provinces through which they have been traveling. A correspondent who lives in Leipzig, Germany, gives an interesting account of a hiking trip through east central Germany, an old country in which there are many castles and other places of historic interest:

First I will tell you about a trip at Whitsuntide, when we had fine weather. When it is so in Germany all people make their traditional trips into the nearer or farther environs. In the early morning people meet in the railway station or at the ends of the railway lines, where they track off with music to fine excursion places. Often they have a picnic point in a wood. That is the main thing. That is the real amusement for people. But this has no charm for me, because I do not love such noisy things. When I am going in the open air I do not want so many people around me, because I can not observe and enjoy nature in such measure as I intend to do on my trips. The purpose of such trips is recreation from the unrest of our daily life in the city. So it comes about that I start only with one or two friends who have the same interests. That is real recreation and that is what we wish on our Sunday trips.

So I took an excursion to Frohburg-Kohren, near Leipzig, which I had not yet seen. Frohburg is a little country town forty kilometers from Leipzig, where we started for a fine wandering to Kohren. From Leipzig we went by train southwards through great brown coal fields, where this coal is worked in open cast. These open cast coal fields often have a depth of more than 250 meters where seams of fifty and more meters thickness have been found there. The worked ground has been poured onto great dumps past which the train goes much of the time. To the right and left we see such open cast brown coal fields, great factories for briquettes and electric works. Since 1920 the region has changed so much that one cannot recognize it, for it used to be nothing more than fields.

One can hardly believe that near such a great industrial region there is such a beautiful district. Through woods and fields we come to the village and castle of Gnanstein. This castle was built in the eleventh century. The tower is 3.5 meters (11.5 feet) thick and has a diameter of 9 meters (29 feet) in the clear. The castle was erected by a Saxon province count in order to protect the German colonists from the Slavs who possessed the country, before the German knights conquered their whole country between the Saale and the Elbe rivers. Round Leipzig we found more or less well preserved castles which served the purpose of protecting the German colonists. Especially we find such castles on the Saale river, which formed a frontier in those days. The foundation of Leipzig, also, was made from the same motives, but nowadays you do not see anything that reminds you of those times. If the castle Gnanstein had not been repaired from time to time, we would not find it in such good condition. Today it is still inhabited and a great farm belongs to it, situated at the foot of the rock upon which the castle has been erected. From this village we wandered to Kohren, a quiet little town known for its potter's art. Nearly every inhabitant has something to do with pottery. When you go through the streets of this little town, in very many houses you find exhibited artificial earthenware, like potter's vases, painted in a

skillful manner. Nowadays the inhabitants are also suffering from unemployment. The town is situated far from the great traffic and we breathe quite another air.

This traveler was on the lookout for expressions of opinion on politics and here is one of his observations:

Then a friend and I made a trip to Thuringia. We got off the train at Weida, a little town on the main railway line Leipzig-Gera-Saalfeld-Nürnberg. It has 12,000 inhabitants and is a great industrial town. We found here great tanneries, spinning mills for silk and jute and dye-houses. As all these factories work for export in great measure, we met many unemployed men. But here the unemployed do not feel their fate so heavily as they are more acquainted with one another in such little towns, so that they can help one another at every job. The advantage is that these people do not idle about in the streets as we meet it in the great cities. This observation which we made, was confirmed by people with whom we spoke. Politics are often discussed where the only desire prevails that now finally the great countries might come together in order to remove the reparations and all these questions which hang together with this problem. I was much astonished to find humbler people also interested in foreign politics. German internal politics is naturally paid most attention, and from all that one can hear and feel, these people for the most part are Nazis. Just in such little towns we find the ideas of National-Socialism which have penetrated very deeply. Regions of the country in Thuringia and Saxony which were strong places for the Reds (Communists and Socialists) in former days, are nowadays strong places for Hitler. Here we can feel very well that the people will have nothing more to do with such red terror. In 1921 and 1922 these regions suffered under such strong red terrorism that all reasonable people have only the desire today not to see such times again.

Another of our German friends, who lives in Regensburg (or Ratisbon) in south central Germany, made a trip across the northern section of the country. "I passed through a great part of Germany on bicycle," he says, "enjoying the vast meadows of northern Germany where haymaking is just beginning, and the gentle slopes covered in fir forests prevailing in a great part of southern Germany." His bicycle trip took him across the Polish Corridor, and here are his observations of this primitive region, which is the source of such bitter controversy:

Before the war, the towns were almost completely German. The more well-to-do landowners were mostly German, too, whilst a great part of the little independent peasants were "Cashubians." These little peasants get a poor living on a sandy and meagre soil; they live in little thatched, wooden cottages and speak a language similar to the Polish language. I myself am not acquainted either with the Polish or with the Cashubian language and can't tell you whether it is really a different language (perhaps like Dutch and German) or only a dialect. Certainly it is easier for them to learn Polish than German. But besides the fact that they formed only a part of the inhabitants of the corridor, and certainly not the part which developed the country, as they are very conservative and live about in the same way as their fathers lived a thousand years ago, the most impor-

tant point seems to me that neither they nor the other inhabitants of the corridor were asked whether they liked to become Polish or not. As far as I can see, the Cashubians are not pro-Polish, but simply wish to be left alone. Economically they would certainly have found it to their advantage to remain Germans; a German owner at Choinice complained to me that they got only half the German price for their products.

There is a similar state of affairs in (German) East Prussia, the south of which is populated mostly by Masovians, there being almost the same conditions as in the corridor; I would be inclined to say that there are more Slavs there than in the corridor. When I first came to this part in 1924, I was very surprised to find people not speaking one word of German. Well, there was a census, I think in 1920, which resulted in a large majority of votes in favor of Germany; those people were certainly not pressed to vote for Germany, whereas in some of these censuses there was terrorizing in favor of Poland (I don't know whether this was the case in East Prussia, but was so in Upper Silesia).

That the German administration did something to develop the country you may see strikingly on every Polish railway map. The far greater density of the lines indicates at once the former German region. Nobody could rightly maintain that all these lines were built only for military purposes. I am far from believing that the German administration was without fault, but I do believe that it was incomparably more just against the Polish subjects than the present Polish administration is against the German subjects.

I felt the relations far more strained at my last crossing of the corridor than a year ago. The customs officers seemed quite good-natured fellows, but it seemed to me that they were directed from above to apply every regulation to the letter, however useless, illogical and inconvenient it might be to the German traveler.

The corridor comprises some very fine scenery, dim woods and lonely lakes, silent heath and little-known rivers.

BONUS ARMY EVICTED

(Concluded from page 2)

appeal to reason. After conferring with Governor Ritchie, "Commander" Waters changed his plans and advised the men in camp at Johnstown to go to their respective states. He asked the governors of the different states to permit unemployed veterans among the citizens of the states to assemble and form camps. Leaders among the bonus men at Johnstown announced their refusal to accept this plan and declared that they would not go back home.

As we write, the future of the "Bonus Army" is therefore in doubt. The problem in its essence still exists. These thousands of men were public charges before they ever came to Washington. They were made so by the depression. They were public charges while they were in the capital city. They are now public charges in Pennsylvania and Maryland. They may soon become public charges in other states of the nation. Problems of sanitation, of law enforcement, of unemployment relief, of the attitude of the government to the bodies of unemployed men who come together for purposes of petition and agitation—all these problems are involved in this admittedly critical situation.

On August 28, hundreds of delegates from every corner of the earth will assemble at Geneva for the World Congress Against War. Preparations have received the cooperation of people of world-wide reputation. Among the members of its international committee are Romain Rolland, famous writer who issued the first call, Bernard Shaw and Albert Einstein.

The delegates have been called together because those responsible for the conference feel that this is a "critical moment" as far as peace is concerned.

THOUGHTS AND SMILES

Why go to all this trouble to split the atom? Come good times again it will probably be merged, anyway.

—Philadelphia INQUIRER

"I suppose," said one man, "it is appropriate to depict Echo as a woman, because she always has the last word." "On the other hand," returned the second man, "an echo speaks only when spoken to."

—Los Angeles TIMES

The rising price of hogs is held out as one of the portents of prosperity—fitting, considering the part played by hogs in landing us in the depression.

—Boston GLOBE

Depression in economic affairs is like personal depression and should not be mistaken for unconquerable grief.

—Washington STAR

The little boy who said that the earth goes round on its taxes wasn't so far wrong.

—New York HERALD-TRIBUNE

Criticism is our weak point.—Goethe

Some foods heat the blood, a doctor observes. And some of the stuff the restaurants serve is positively guaranteed to make the blood boil.

—Haverhill Evening GAZETTE

"If you aren't sure of yourself," says a behavior expert, "say nothing." And then some day you'll be asked to write political platitudes.

—Schenectady GAZETTE

Keep your eyes and ears open if you want to get on in this world.

—Jerold

A grocer reports a woman customer who bought a dozen ears of corn and didn't partly husk a single ear. Who says confidence isn't returning?

—Rochester TIMES-UNION

Chile and Peru have martial law or a revolution, according to whether the administration controls the army or the army controls the administration.

—Louisville COURIER-JOURNAL

It is only recently that leaders in education have begun to realize that the school, to achieve its real purpose, must modify its purely cultural objective and adapt itself to the social requirements of its charges.

—Warden Lewis E. Lawes

A woman may be able to do her own housework, but she always has to get some other woman to help her keep a secret.

—Columbia (S. C.) State

Contradiction is a bad sign of truth; several things which are certain are contradicted; several things which are false pass without contradiction. Contradiction is not a sign of falsity, nor the want of contradiction a sign of truth.

Pascal

PRONUNCIATIONS: Hans Kohn (hants kon—o as in go), Cashubian (ka-shoo'be-an), Gnanstein (gnahndt'shtin—i as in time), Leipzig (lip'sigh—first i as in time), von Schleicher (fon schli'kher—i as in time), Paraguay (par'a-gway—first a as in hat), Chaco (chah'ko).



A CASHUBIAN COTTAGE

This is the home of a peasant who lives in the district known as the Polish Corridor. Many of the peasants live in cottages which are more primitive than this one.

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WEDNESDAY, AUGUST 10, 1932

REVIEW OF THE WEEK

ADOLF HITLER has again failed to obtain control of Germany. In what was considered his greatest opportunity, the Reichstag elections of July 31, his National Socialist Party could not poll more than 37 per cent of the total vote. His party will have 230 seats in the new lower house. There will be 607 seats in all which will be divided among the important political groups as follows:

	Right	
National Socialists	230	
Nationalists	37	
Minor Groups	16	
	283	
	Left	
Socialists	133	
Catholic Center	76	
Bavarian People's	20	
Minor Groups	6	
	235	
	Extreme Left	
Communists	89	
	Total	607

It is apparent that Hitler's party is by far the strongest political unit in Germany. It received nearly 14,000,000 of the 37,000,000 votes cast in the election and more than doubled its representation of 107 seats in the Reichstag. However, the important fact of the election is not that Hitler's power has increased. That was expected and even discounted in advanced. The really significant feature is that he was unable to bring his party into power as he so confidently predicted. Apparently the cause of National Socialism or German Fascism cannot acquire the support of more than 40 per cent of the German people. This means that it cannot rule without the consent and coöperation of other parties. So far this coöperation has not been forthcoming. There is some talk of the possibility of a coalition between the National Socialists and the Catholic Center, Dr. Brüning's party, but such a union is not considered likely.

The Reichstag elections of July 31, then, resulted in a stalemate. No party is strong enough to control the Reichstag and the division of forces is such that a successful coalition of parties is deemed highly im-

probable. It appears that the present form of government, a non-political cabinet under the chancellorship of Franz von Papen and under the practical control of General Kurt von Schleicher, minister of defense, will continue in power. The chancellor has announced his determination of going before the new Reichstag when it meets late this month and daring it to disapprove his policies. He is represented as having no doubt of his ability to obtain a vote of confidence. He expects to have the Reichstag adjourned soon after it meets and to govern Germany throughout the winter by the system of emergency decrees which has come into such frequent usage in that country.

CHARLES A. MILLER, a banker of Utica, New York, and a member of the Republican Party, was appointed a member of the board of directors of the Reconstruction Finance Corporation by President Hoover on July 28. Mr. Miller is now president of the government's credit agency, having been chosen to fill the position formerly occupied by Charles G. Dawes. With this appointment and the recent naming of Atlee Pomerene as chairman of the board, the Reconstruction Corporation's reorganization is complete and the membership is now made up of four Democrats and three Republicans.

Two important tasks have been undertaken by the new board. Last week, it considered requests for loans to relieve unemployment distress presented by several states. Governor Pinchot of Pennsylvania, in a conference with the directors, demanded the maximum loan permitted under the unemployment relief bill enacted by Congress—\$45,000,000. The board, however, deferred action on the Pennsylvania governor's request. The only loan of this nature already advanced is one for \$10,000,000 to the state of Illinois. Several other states have filed application for funds, claiming that their funds are inadequate to the needs of the coming winter.

The second matter under consideration by the board last week was the granting of financial assistance to various railroads. The directors conferred with leading railway executives, including Daniel Willard, president of the Baltimore and Ohio and W. W. Atterbury, president of the Pennsylvania. They considered ways of increasing employment by means of granting large sums to the roads. These funds would be used to repair the rolling stock—the locomotives, freight cars and other equipment—and would, it is estimated, provide employment for an additional 90,000 men. A number of the railroad heads appeared somewhat reluctant to accept the plan, holding that they were already too heavily indebted to the government. No definite agreements were reached at this first conference.

FEDERAL Reserve Banks departed from their traditional policy on August 1. Instead of acting solely as bankers' banks as they have done in the past, the twelve regional reserve banks were authorized by the board of directors to make direct loans to individuals, partnerships and corporations. Authorization for this new procedure was granted by an amendment to the Federal Reserve Act enacted during the last session of Congress. The primary object of this policy is to stimulate business activity throughout the country. According to the terms of the law, the granting of direct loans by the central banks to individuals will not be a permanent feature of our banking system but will remain in force only for six months.

Such a departure was not made without adequate safeguards. In the first place, the Federal Reserve Banks have been authorized to grant loans to individuals only under fixed rules. An individual or company may borrow money



WANTED—A BRIDGE BUILDER

—London Daily Express

from the reserve bank only if it is unable to obtain the funds through the regular banking channels, that is, through an ordinary commercial bank. Then, the security presented by the borrower must be of unquestionable character. In this respect, the individual borrower may obtain funds from the reserve bank only upon the same security that banks may borrow from it. No loans for speculation will be granted. Before granting the loan, the officers of the reserve bank must be convinced that the proceeds will be used to carry on actual business.

BOLIVIA and Paraguay were rushing toward war with each other last week as prospects for a peaceful settlement of the Chaco dispute did not seem so bright. A general mobilization was declared in Paraguay. The people of both countries were fired with enthusiasm and seemed anxious for war. Wild cheering greeted soldiers wherever they were assembled. Volunteers were pouring into the recruiting stations as hasty preparations were made to equip them and send them to the front. War had apparently the full support of the people in both countries, their ardor being such that serious and continued outbreak of hostilities seemed dangerously imminent.

Some fighting had already taken place in the Chaco region. After a combined aerial and land attack the Bolivian forces captured one fort, all of which served further to excite the populace in both countries. Meanwhile neutrals continued their efforts to induce the two countries to settle their difficulties peacefully. A neutral commission established by the Pan American Union was attempting to bring about arbitration of the matter. Similarly the League of Nations received an offer from Paraguay to arbitrate and forwarded it to Bolivia. The President of the Council also reminded both countries of their obligations under the Covenant of the League and of the promise they made in 1928 to Aristide Briand to settle the dispute peacefully.

THE world monetary and economic conference will be held sometime in the fall, probably in October. This international meeting under the auspices of the League of Nations is the outgrowth of the Lausanne Conference on German reparations. It was agreed at that time that such a conference should be called.

The United States has accepted the invitation to attend which was extended by Great Britain. It is agreed that such subjects as reparations, war debts and tariff rates will not be discussed. The administration in Washington made it evident that it would not join in the meeting without these reservations. However, the silver problem will be included in the matters to be discussed. This fact will bring satisfaction to a number of Americans who believe that the rehabilitation of silver is indispensable to world recovery.

It must be noted that while it has been stipulated that tariff rates shall not be discussed the general subject of tariff policies is not barred from the meeting. It seems, therefore, that tariffs will play a considerable part at the conference, and it is widely thought that they should.

PRESIDENT HOOVER conferred with members of the New England Re-employment Conference on the extension of the five-day week into the industrial structure of the nation. At the instigation of Governor Winant of New Hampshire, the president met with this group in an effort to lighten the effects of unemployment by means of the shorter workday and workweek. At the White House conference particular attention was paid to the so-called New Hampshire plan which provides roughly for a ten per cent reduction in the working time of all persons now employed throughout the country.

While no agreement was reached upon the New Hampshire plan, it is understood that the president is heartily in favor of some program which would reduce the hours of work and thus spread available employment to a larger number of workers. Mr. Hoover has under consideration a plan to accomplish this result. It is thought likely that the president, after gathering more data upon the subject, will call a general conference of business, labor and industrial leaders in an attempt to secure the adoption of a satisfactory plan.

In a statement designed to clear up much "erroneous speculation" as to the purpose of conferences he has been holding with business leaders, President Hoover on July 29 declared that he is working at present along several lines to assist business. He outlined a nine-point program now under consideration. Many of the features of his program are directly connected with the activities of the Reconstruction Finance Corporation, "the largest bank in the history of the world." Mr. Hoover is seeking to obtain concrete results from the new powers granted it by the unemployment relief act.

Generally the president's program includes the following: the creation of a board of engineers to advise upon loans of the R. F. C. for self-liquidating projects; consideration of a movement to remove and replace slums in various cities; coöperation of the Federal Farm Board, the Secretary of Agriculture and the Farm Loan Board with the R. F. C. in order to facilitate loans to agricultural groups; efforts to increase employment by granting loans to railroads for maintenance and repairs of their equipment; efforts to organize as quickly as possible the home loan discount banks the creation of which was authorized by Congress; and consideration of methods of shortening the workday in industry.



LET GEORGE DO IT

—Talbot in Washington News

THE LIBRARY TABLE

THE PURPOSE OF EDUCATION

The Manchester *Guardian* raises the interesting and ever unsolved problem as to what the schools may be expected to do for the boys and girls who attend them. "What, for example," it says, "should a boy be like at the end of his school life, if he is to benefit most from a stay of several years in a selected school?" The editorial continues with these very thoughtful suggestions:

After reading the reports of many speech days one concludes that the modern school endeavors to make its pupils think and observe clearly and independently. By mind training and control it gives them confidence and self-reliance. It puts them on the right road, and the longer school-life lasts the steadier is the tread on that road. As one speaker said, teachers and masters started girls and boys on the way but their success was only effective if they carried it on themselves. The British test of schools and colleges, said another speaker, was not what scholars but what type of men they turned out. "They had set before themselves the conception of training people for citizenship before anything else, and that was mainly done through the life of the school. . . . It was no use to amass information about facts unless the mind was set to work on them."

The words of Sir Josiah Stamp in an address to boys are worth quoting. After stating that the object of education was to leave a man in a condition of continually asking questions, he said: "I come across a great many aspirants for positions in life and I have to take these certificates after masters and even professors have done with them. I know what they mean and what importance to place upon them. I know their immense value. The practical standards of life would be sheer chaos if it were not for school examination standards, but there are certain imponderables and intangibles in addition to the work done at school which are with you boys now and will make their influence felt later on. The intangibles are the hidden vitamins of the mental life. You will leave school uneducated if you have not a personal grasp of methods of study. The man of power knows which button to push and which lever to pull, and he can unlock vast stores of knowledge. If you have not the knack of observing as well as of reading you are uneducated. To be too fond of reading without reflection is as bad for one as over-eating."

THE NEAR EAST

Hans Kohn, a German writer, has made a very thorough study of the social and political problems of the nations which are lumped together under the general designation of the Near East, or the "Hither East," as he calls it in his new book, "Nationalism and Imperialism in the Hither East" (New York: Harcourt, Brace and Company. \$5.00). The book is translated into English by Miss Margaret M.

Green, and her work is admirably done.

This book furnishes a background for the study of many current international problems. It contains much historical matter, showing the development of civilization and tracing the evolution of political ideas. It discusses the civilization of the Turks and describes the breaking up of the great empire which they had established in the south and east of Europe. The study brings us to the present, and deals with the political situation which the World War created—the mandates, Zionism, aspirations of nationality.

The author is not contented with a bare description of political institutions. He appraises the work of institutions such, for example, as the Christian missions, and undertakes to evaluate their influences. The book is not light reading. It is not especially attractive to the general reader, but it contains a mass of carefully prepared facts which will be very serviceable indeed to those who are interested in the nations and peoples of the Near East.

PLANTATION LIFE

Of the several American writers who take the Negro as their theme, Julia Peterkin is one of the best known and one of the most widely read. Her earlier works, "Black April" and "Scarlet Sister Mary," have stamped her as an author highly competent to portray the life of the plantation Negro—a figure which is rapidly passing from the American scene.

This year Mrs. Peterkin has contributed her third full-length novel, "Bright Skin," (Indianapolis: The Bobbs-Merrill Company. \$2.50). Like its predecessors "Bright Skin" is a story of the simple existence of the Gullah Negroes in South Carolina—their superstitions, their loves, their pleasures, pains and their abysmal ignorance. Mrs. Peterkin takes several characters of whom Cricket, the little "bright skin" girl, is the central figure and follows them from early childhood until after marriage.

However, the plot is far from being the most important feature of the book. Its value and interest lie chiefly in the description of the events in the daily lives of the Negroes and in the local setting which surrounds them. It is in this Mrs. Peterkin is at her best. Her work is colorful and has a richness of exceptional quality. Certain passages in "Bright Skin" are of the highest literary merit.

But when she depicts the complicated relationships and emotional conflicts of her characters Mrs. Peterkin falls short of

the ideal. This is the weakness of "Bright Skin" and is probably the reason why it will not rank with "Black April," which seems destined to remain this author's outstanding work.

A LIBERAL PROGRAM

Paul H. Douglas, professor of economics in the University of Chicago, has written an important book outlining a program of liberalism and analyzing tactics by which this program might be put into effect. The title is "The Coming of a New Party" (New York: McGraw-Hill Company. \$2.00). Professor Douglas begins his dis-

cussion with a few startling statements relative to the concentration of wealth and industrial power in the United States. He shows that the wealth of the country has fallen into a few hands and that effective power over the major portions of the business of the country is now held by a few hundred men. Poor boys, sons of farmers and laborers, have little chance to

own business establishments. The old middle class is fading away. The best chance for farmers and workers, whether these workers are of the white collared or of the manual class, is not to go ahead dreaming that they will rise individually from the ranks and assume places of wealth and power, but rather to work for programs which will take into account the interests of farmers and laborers, making their work more profitable and their lives more pleasant. It is in this way that progress can best be made.

Professor Douglas then proceeds to an examination of the concrete measures which might contribute to that end. The workers, he thinks, need greater security. They should be protected against the great hazards of life—hazards over which individually they have no control—unemployment, sickness, old age. There should be employment agencies, unemployment insurance, sickness benefits and old age pensions. The organization of labor should be encouraged and laws which operate to the disadvantage of labor should be changed. A minimum wage with proper safeguards should be adopted and there should be regulation of the hours of labor. Farmers would benefit most, our author thinks, by the establishment of free trade, or a system approaching that, and by a drastic change in the tax system. The general property tax, which falls so heavily upon the owners of real estate, should give way to taxes levied against wealth and income.

The outline of a liberal program includes a demand for the socialization of medicine, since health costs are now so high that health protection is not at the command of the poor. Suitable housing for the poorer classes should replace the tenements. Poor people should be charged as rent only what they can pay, and the difference between that amount and a fair rental should be paid by the government as a subsidy. The money for this purpose could, in the main, be obtained through a tax on increasing land values.

This is not the whole program, but the measures which have been cited indicate the

chief features. Professor Douglas then turns to the question as to how such a program might be put into effect. He thinks it should ultimately command the support of the majority of the people, because it is in the interests of farmers, of manual workers, of clerks, of men and women engaged in personal service, professional men and small merchants. But should these millions, standing as they do to gain by such political policies, turn to the old parties for support, or should they form a new party? Professor Douglas does some very thoughtful work in the portion of his book which deals with tactics.

He considers candidly the advantages of working with the old parties, of "boring from within." These parties are established. They command the loyalty of very many people. They have their organizations, their direct primaries, by use of which people may gain control of the parties. Why not, then, transform the Republican or the Democratic party



JOHN DEWEY
Philosopher, educator, outstanding leader in the movement for a third party.

into a liberal organization?

The objections to such a plan, or the difficulties of putting them into effect, are then examined. The parties, we are told, are quite definitely under the control of men and of interests hostile to a liberal program. The author considers this question in some detail, taking up state after state, naming the men who control the Democratic and the Republican policies in the state and showing the industrial connections of these men. Furthermore, the capturing of a party through primary fights is very expensive. Sometimes it would fail, and then the liberals who made the unsuccessful attempt to nominate their candidates would be bound to support the conservative elements who had won the nominations. At least they would practically be obliged to do this if they wished to stay within the party.

All things considered, Professor Douglas believes that a new party should be established—a party depending for support upon the non-privileged classes of people, particularly the farmers and workers. It might be called the People's Party, or the Farmer-Labor Party. Its principles would not be far different from those of the Socialist Party under the leadership of Norman Thomas, but it would not be socialistic in the sense of being Marxian or of demanding the public ownership of all capital. Certainly it should not burden itself with a name so unpopular as that of the Socialists. The choice of a name is a decidedly important factor. Probably one of the major reasons why the Socialist Party is not an important factor in American politics is the fact that its name rather than its principles has failed to win approval. The Socialist movement is generally considered far more radical than it really is.

We commend this book heartily to our readers. It is a thoughtful book, and while its conclusions may not be convincing to all—certainly they will not be—it will unquestionably throw into relief a great number of social and political objectives which are ignored by the old parties and which are deserving of careful attention by every serious minded citizen. "If I knew any way to make this book compulsory reading for all citizens, especially for all young men and women whose political minds are not closed to facts and ideas," says John Dewey, "I would gladly do so." We agree with Dr. Dewey in the hope that the book may have a very generous reception.



—Courtesy Red Star Line

AN EGYPTIAN VILLAGE

The spirit of nationalism in Egypt and other nations of the Near East is analyzed in "Nationalism and Imperialism in the Hither East" by Hans Kohn.



THE presidential campaign of 1912 was one of the most interesting in American history. It is interesting from several standpoints. For one thing, it saw a temporary break in the Republican Party and the consequent election of a Democrat. And in the second place, it was characterized by the temporary ascendancy of liberal or progressive ideas—ideas which are at all times found at work in American political society, but which usually operate as minority rather than majority forces. It may seem a strange thing that in a dynamic and changing society such as that of the United States has been since the earliest days, in a society where the old industrial order is ever giving way to the new, the preponderant political ideals should at nearly all times be conservative. However strange this may be, it is nevertheless the fact. A wave of liberalism which had been getting under way for a number of years swept the country, however, in 1912, and held sway until the World War came, and with it political and economic reaction.

**When
Liberalism
Triumphed**

How shall we account for this successful onslaught of the liberal forces early in the twentieth century? That is a very interesting question. If we could answer it fully we would be in a position to describe the conditions under which progressive ideas are likely to prevail and to judge the prospects for the advance of liberalism at any given time.

Many people appear to believe that change in the direction of greater democracy—industrial, social, or political—is likely to come when conditions are very bad, when people are in sore distress and when consequently they rise up against the existing state of things and insist upon change. It cannot be said, however, that the first fifteen years of the twentieth century were years of impoverishment of the American people. They did indeed rise up to demand a greater measure of public control over business and the extension of the democratic principle in legislation, and in general a better deal for the common people, but they did not do this because they were being ground to the earth or oppressed in any unusual way.

The years from 1900 to 1915 were years of fair prosperity, interrupted though the good times were by a financial panic in 1907. The people were getting along fairly well. They were enjoying in unusual measure the good things of life. There was a development of political intelligence, and in addition these were years of peace, when the attention of the people was not distracted by foreign quarrels or international bickerings. Perhaps such is a favorable soil for the development of liberalism. Foreign quarrels call the attention of people from the consideration of their own welfare. Peace and security give them the opportunity of turning their minds to the betterment of their own conditions.

But something more than a favorable soil was present during these years. There was liberal leadership. Why was it that leaders with a vision and with power to stir the imaginations of the people came upon the scene at this particular time? We had not had them for some years before. We have not had them since. Perhaps it is one of the accidents of history. Perhaps, on the other hand, the conditions were especially favorable for the assertion

of leadership and hence called it into play. At any rate, leaders there were—William Jennings Bryan, Robert M. LaFollette, Theodore Roosevelt, Woodrow Wilson. These men, each in his own way and his own time, formulated programs, called to the people for support and aroused the emotions and the determination of millions.

But a fair degree of prosperity, international peace and the presence of leaders do not tell the whole story as to why there should be an up-surge of liberalism in 1896 and another and more successful one in 1910 and 1912. The struggle in 1896 was to a great extent a class conflict, with the people of one occupation, that of the farmers, arrayed against those who made their living in the industrial pursuits. Why did this happen in 1896? How shall we account for the fact that the farmers rose up and demanded redress in 1896, whereas in 1932, when they are worse off than they were in 1896, they do not unite, they do not formulate a program, they do not rally around an agrarian leadership? The reason, it seems to us, is that the farmers were to a greater extent a social class by themselves in 1896 than they are at the present time. A generation ago the farmer and his family lived lives apart from those of the city people. They did not have automobiles and did not often get to town. They did not go to town to

**Passing
of Rural
Solidarity**

church. Their children did not go to town to school. They did not read the city newspapers, for they did not have a rural delivery of mail. They did not have the radio, bringing them the same speeches, the same programs, that the city family receives. They were not tied to the people of the towns in community life as they are today. Because they were socially separated from the towns and lived their own lives apart, they could and did develop a feeling of class consciousness. They stood for an agrarian program. They were unified in spirit. Today the farmers are not socially distinct. They associate with people of the towns. They read the same papers, hear the same programs on the radio, go to the same churches and schools, and belong in the larger sense to the same community. They do not think of themselves so much as a distinct class, and they do not give ear to strictly agrarian programs which would tend to set country people against the people of the towns.

We had, therefore, a class cleavage in 1896 that could not so easily be had today, and this class division, this massing of the embattled farmers in a political movement, laid a basis, a sort of ground work, for a progressive, or liberal, or democratic development. The group which supported Bryan in 1896 remained fairly distinct and supported LaFollette and

**The
Progressive
Leaders**

Roosevelt and Wilson in the years that followed. There were, of course, additions from other sources in the later liberal movements.

While Bryan was still leading the Democratic party and preaching against the powers of wealth, demanding democratic processes in government, arguing against the tariff and against alleged injustices to laborers and farmers, Robert M. LaFollette was carrying out a program of progressivism in Wisconsin. He was making Wisconsin a laboratory for experimentation with progressive practices of government. He was leading the campaign for the regulation of railroads and for an enlarged recognition of labor rights. And then came Theodore Roosevelt, who, though originally conservative, began to stir the public consciousness against abuses by great business corporations, charged wrong doing to "malefactors of great wealth," and finally carried on a campaign for an abridgment of the right of the courts to set aside social welfare legislation on grounds of unconstitutionality.

Then came the campaign of 1912. President Taft represented conservatism. He stood for a high tariff. He opposed the initiative, referendum, recall, and direct primary—processes intended to render elections and legislation more democratic and direct.

**Presidential
Campaign
of 1912**

He was opposed within the party by Theodore Roosevelt, who had retired from the presidency in 1909 and who had chosen Mr. Taft as his successor. The contest within the party was between conservative Republicanism and progressive Republicanism. When the convention met the issue was in doubt. It hung upon the seating of contesting delegations. The conservatives were able to organize the convention and to seat their own delegates in case of dispute, thus making the Taft nomination certain. Thereupon the Roosevelt delegates seceded from the convention and later nominated their leader in a Progressive convention.

When the Democrats met in Baltimore, it was uncertain whether they would turn toward progressivism or toward conservatism—whether they would look for support to the classes which had followed Bryan or whether they would go back to the Grover Cleveland tradition. At one time in the course of the balloting Champ Clark, of Missouri, speaker of the House of Representatives and a moderate conservative, received a majority of the votes, though he fell far short of the required two-thirds. At this juncture, William Jennings Bryan put the candidates to the test, declaring that he would not support any one who owed his nomination to the favor of Tammany Hall, the celebrated New York Democratic organization. Speaker Clark would not give Bryan the assurance that he demanded. Woodrow Wilson did. Bryan threw his support from Clark to Wilson who was nominated.

Woodrow Wilson, who, like Roosevelt, had in his earlier career been a conservative, was now fighting for liberal principles. He demanded a lowering of the tariff. He insisted upon a regulation of the trusts. He gave his support to the direct primary and to other features of the direct democracy program. The result is known to all students of history. With the Republican party hopelessly split, Woodrow Wilson, progressive Democrat, won a smashing victory, though he did not have a majority of all votes cast. There was thus inaugurated a short but brilliant régime of economic and political liberalism.



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WOODROW WILSON

OUTCOME OF BRITISH CONFERENCE IN DOUBT

(Concluded from page 1, column 1)

within the British Commonwealth of Nations is worked out. They have urged the imperial nations to agree to levy lower duties upon the products of each other than upon the products imported from foreign nations—nations outside the British Empire. The principle of imperial preference does not, therefore, involve the establishment of free trade. But it does aim to facilitate commerce by granting to the British nations a definite preference over foreign products. In the case of some products, it might be a twenty-five per cent preference; that is, members of the empire would contract to collect a duty twenty-five per cent lower upon imperial goods than upon foreign products.

It is the purpose of the Ottawa conference to decide upon the articles which should receive preferential treatment and the extent of such preferences. It is largely a spirit of "tit for tat" which permeates the delegates in negotiating their trade agreements. No nation is prepared to open its markets to other members of the empire without similar action for its own products. Hence the Ottawa parley is, and will continue to be, a tariff bargaining counter. Across the tables, the delegates say to each other: "We are prepared to help you to sell your products in our country by granting a lower rate of duty to you than we grant to foreign countries. We are giving you this list of products which you export and which we import. We are prepared to grant you a preference upon these goods. But in return, we demand that you give our products access to your markets by collecting a lower rate of duty upon them than you collect upon the same articles of foreign origin."

BARGAINING

At the opening session of the conference, for example, Prime Minister Richard B. Bennett, speaking for Canada, made the following proposition to the delegates of the United Kingdom: First, he demanded that the United Kingdom retain for Canadian goods the preferences now in force and that the list of goods receiving preferential tariff treatment be extended so as to include natural and semi-manufactured products which Britain must now import. In return for these concessions he declared that Canada was willing (1) to extend the free list, or the list of goods which may be imported from the United Kingdom without paying duty; (2) to retain the preferences now granted to Great Britain; (3) to extend this list so as to include other products manufactured in Britain the importation of which upon special terms would not injure efficient Canadian industries which manufacture the same products.

Spokesmen of the other dominion governments later outlined their views and laid their demands before Great Britain. They, and Canada as well, listed the products for which they demanded preferential treatment upon British markets. Australia and South Africa requested that their meat exports be given special treatment. Canada, Australia and New Zealand requested Britain to place an embargo upon Russian wheat and lumber in order to increase their sales of those commodities. These same three dominions, joined by South Africa, asked that Britain impose tariffs on wheat, meat and fruits imported from foreign nations but that these commodities shipped from the dominions be given free access.

And so down the list. Each dominion is seeking to obtain an agreement with the mother country whereby it can increase its sales. In the case of certain products, such

as foodstuffs and raw materials upon which no duty is collected in Britain, the dominions request that the mother country impose a tariff on foreign commodities while she retains theirs upon the free list. In other instances, the dominions request that preferential, or lower rates, be levied upon their exports.

BRITISH DEMANDS

And the British delegation at Ottawa has been equally clear in setting forth the concessions which it asks of the dominions. Since the prosperity of the British Isles is chiefly dependent upon international commerce and since the decline of this overseas trade is the principal cause of the present woes of British industry, the delegates are desirous of expanding their markets through preferential agreements with the dominions. Particularly anxious are they to obtain additional markets for their manufactured goods—their textiles, iron and steel products and electrical equipment—and coal.

ports of the United Kingdom must lessen the purchasing and saving power of her people and so damage the markets on which the dominions so largely depend for the consumption of their products.

FOREIGN COUNTRIES

The British believe that they are already doing more than their share to increase imperial trade. In the statement already quoted, they pointed out that ninety per cent of all products imported from the dominions enter British markets duty free, whereas only thirty per cent of foreign imports enjoy such a privilege. The dominions, on the other hand, grant practically no free entry of British goods upon their markets.

This position has been emphasized by the British in order to protect their trade with nations outside the empire. To grant the demands of the dominions would mean the curtailing of British purchases from other nations. They would, for instance, be obliged to cease or greatly reduce their purchases of meat from Argentina and the

kets to British textiles, machinery, coal, and other manufactured goods, it will be at the expense of other countries. Particularly is this true in the case of Canada. While Prime Minister Bennett and the other Canadian delegates may be kindly disposed toward Great Britain and may be anxious to provide her with markets, they cannot overlook the fact that such a diversion of trade would deal a severe blow to the United States.

EFFECTS ON U. S.

Nearly all the products which Britain wishes to sell to Canada in increasing quantities are at present supplied by American producers. In 1930, nearly seventy per cent of Canada's total foreign purchases came from the United States—her total purchases from this country in that year amounting to \$847,442,037. In most of her leading imports, the United States had a virtual monopoly, supplying more than ninety per cent. Of these were such articles as electrical supplies, iron and steel products, machinery, automobile parts, automobiles, coal, gasoline and raw cotton. Now, it is these products, or a large number of them, that the British wish to sell to Canada.

While there are many reasons why Canada would like to shift this American trade to Britain, such as her irritation against the Hawley-Smoot Tariff Act which served to slow up Canadian trade, the recent tariff law which raised the duty upon copper and lumber, both of which Canada sells to the United States, there is one fundamental reason why she must be careful in negotiation with Britain. The United States, in spite of its high tariff, remains Canada's best customer. In 1930, this country absorbed forty-five per cent of all Canadian exports—ten per cent more than all the empire combined.

There are other reasons, however, which play an important function in the trade relations of Canada and the United States. The geographical proximity of the two countries facilitates the shipment of such heavy products as coal and machinery. Great Britain must support heavier transportation costs. Secondly, the technical advantages of American producers enable them to supply Canadian needs at a

lower cost. Thirdly, American industry is equipped to furnish many of the highly specialized articles demanded by Canada. And finally, there remains the fact that Canadian tastes for certain American products have been developed through such media as the radio and American magazines. Advertisements published in magazines and broadcast over the air have produced results in Canada as they have in this country. And many of these goods can be obtained only in the United States.

BRANCH FACTORIES

With Canada's occupying such a preponderant position in American foreign trade, this country has a vital interest in the present negotiations at Ottawa. Should the Canadian delegation, after considering the relative advantages and disadvantages, decide to divert part of its American trade into empire channels, this country would stand to suffer substantial losses. A far-reaching system of preferential tariffs within the British Empire might lead to a further migration of American factories to Canada in order to escape the effects of a high tariff. There are already approximately 1,400 such establishments operating in Canada. Other industries might find it impossible to retain their trade with the British Empire without moving across the border. Such a movement would, as in the past, be heartily welcomed by Canada for it would employ their laborers and utilize their materials. On the other hand a development of this kind would be viewed with apprehension in this country.



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THE PORT OF LONDON

Dominion Statesmen at Ottawa seek preferential treatment on British markets for Empire goods.

In the case of the dominions in general, and Canada in particular, Great Britain believes that many of her present difficulties could be overcome if they would agree to facilitate the sale of her products by more adequate tariff concessions. She wants Canada to purchase more of her machinery, more of her textiles and more of her coal. She desires the other dominions to lower their tariffs against her manufactured goods. Her interest in this imperial trade is vital. Furthermore, she believes that it is the duty of the dominions to grant her these concessions because of the amount of their products which Great Britain absorbs each year. Stanley Baldwin, head of the British delegation and leader of the British Conservative Party, answered the dominions' demands for greater concessions by stating that the mother country already purchases much more from them than they do from her. He estimated that in 1930 the United Kingdom bought approximately 100,000,000 pounds more from the dominions than they purchased from it. Mr. Baldwin presented the following evidence in order to strengthen the British case in the tariff bargaining:

The United Kingdom delegation desires also to emphasize to their colleagues the fact that the United Kingdom is so highly industrialized that it is vital to the physical existence of her people to find adequate markets for her products and that in fact more than half her export trade is taken by foreign countries. There are at the present moment 2,750,000 unemployed persons in the United Kingdom; anything tending to check the foreign ex-

Scandinavian countries, of wheat and lumber from Russia, Argentina, Norway and the southeastern European countries, of dairy products from Denmark and Holland, if they were to accede to the dominions' demands.

And the United Kingdom questions the wisdom of such a move. She realizes full well that she is dependent upon these markets for her own prosperity. Not only does she buy goods from Argentina, the Scandinavian countries and the rest of Europe, but she also sells her products to them. A sudden cutting off of this commerce would, Britain fears, cause those countries to place their own orders elsewhere. In addition, Great Britain has huge sums of money invested in many foreign countries. The safety of these investments depends almost entirely upon the extent to which those nations carry on foreign trade. In Argentina, for example, she has huge sums tied up in railroads. These railways not only purchase locomotives and equipment from Britain; they also pay interest on their bonds from the proceeds of the sale of goods to foreign nations. Should this trade drop off appreciably, Britain would suffer from two sources—the loss of trade and the danger of loss on her foreign investments.

So it is the duty of British statesmen at Ottawa not to grant too great concessions to the dominions. They must always keep an eye fixed on British commercial relations with foreign countries. But, in many respects, the dominions are in a similar position. If they agree to open their mar-

National Economy League Formed To Campaign Against High Taxes

New Organization Headed by Calvin Coolidge Will Try to Mobilize a Strong Public Opinion Against Governmental Extravagance

A war has been declared against governmental extravagance—federal, state, and local. This challenge was issued by the National Economy League, a new organization headed by Calvin Coolidge. Other leaders of the league include Alfred E. Smith, Elihu Root, Newton D. Baker, General John J. Pershing and Admiral William S. Sims. The league is an independent and non-salaried organization. It is non-partisan and has received the hearty endorsement of President Hoover and Governor Roosevelt. The members of the league intend to wage a nation-wide campaign in an effort to stem the tide of the rapidly increasing burden of taxation which is being borne by the citizens of this country.

At its first meeting, which was held in New York on July 26, several hundred delegates from half the states unanimously elected Rear Admiral Richard E. Byrd as temporary chairman. In accepting the chairmanship, Admiral Byrd announced that he was postponing indefinitely his proposed second trip to the South Pole. He said that he felt constrained to stay at home and lead the fight against governmental extravagance just as he would have felt impelled to remain in case of war.

A "declaration of purposes" was read at the meeting. It set forth as the league's aim the restoration of the American principle that government shall be "for the benefit of the whole people." It named as its "first specific objective the elimination of the great annual expenditure—now amounting to more than \$450,000,000 annually—for those veterans of the Spanish-American and World Wars who suffered no disability in war service, without, however, impairing a just and liberal provision for the dependents of those who lost their lives in war service and for those who in fact have suffered from war service."

The declaration stated further: "the reduction of all wasteful and unnecessary governmental expenditures, which have risen to the point where they threaten the public credit and sap the resources of the people—and thus to compel the reduction of the taxes which these rising expenditures ultimately exact from all the people." To this end the league pledged its "cooperation with other non-partisan citizens' organizations concerned with the reduction of governmental expenses and taxes." In stating his approval of the league, President Hoover says:

The pressures upon governments to spend more are ceaseless, and no intermittent protests will stem the tide. Swarms of lobbies

organize behind every form of expenditure and no organized group ever defends members of the Congress who withstand their pressures. Ceaseless vigilance alone can cope with them. Every branch of government activity should be scrutinized, and of State and city governments as well as Federal. I trust that your organization will not confine its useful labors to any narrower range, for the problem is all of one piece and should be so dealt with.

Governor Roosevelt sent this message to the league's meeting:

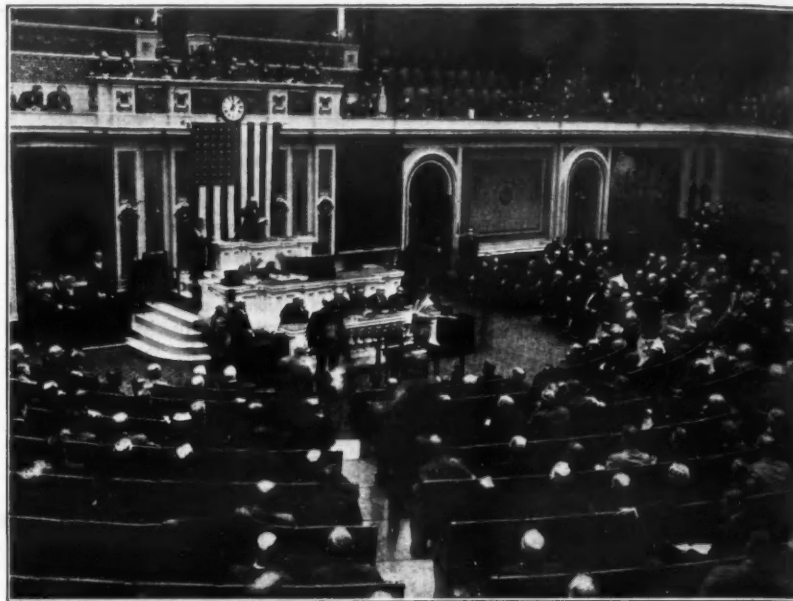
I am glad the National Economy League will work to create a clearer understanding of all government expenditures on the part of the average voter. Knowledge of and interest in Federal and State budgets by the electorate is essential in order to sustain the executive and legislative branches of government in reducing government costs and balancing budgets.

EXCHANGING SERVICES

During these lean years we often hear of men and women who are very talented in certain lines of work, and yet who are unable to secure employment. Such persons are taken care of in Los Angeles by a unique plan known as the Coöperative Exchange. When the unemployed carpenter needs a dentist, and the unemployed truckman needs a plumber, and the unemployed plumber needs a service, and none of them has the money to pay the other, bartering of services is made possible by joining the Coöperative Exchange.

On registering, the applicant indicates what service he has to give and what service he wants in return. A filing system, cross-indexed by names and by services, reveals immediately just what can be arranged for him. After each accomplished exchange, the office charges ten per cent for making the arrangements. The charge of course, is in terms of service. Credits are issued each member through a system of accounting somewhat like that of a bank. Each man carries his own book with its double column of debits and credits, but instead of dollars they are hours of work which he has done, and which have been done for him.

One of the most important activities the Exchange has developed is in relation to housing. Landlords are persuaded to accept services by members of the Exchange as an alternative to ejecting tenants who are unable to pay rent. Empty houses and apartments are made available to the Exchange in return for carpenters, painters, and plumbers.



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THE SEVENTY-SECOND CONGRESS IN SESSION

Lausanne Settlement, Congress Recess and Ottawa Parley Highlights of July

July 1. Franklin D. Roosevelt was nominated for the presidency by the Democratic National Convention.

July 2. John N. Garner, speaker of the House of Representatives, was chosen to head the Democratic ticket with Mr. Roosevelt. The convention adjourned, after hearing Mr. Roosevelt's acceptance speech.

July 4. Italy urged the Lausanne conference completely to cancel reparations and intra-European war debts.

July 5. President Hoover made an attempt to prevent enactment of the relief bill before Congress due to certain provisions unsatisfactory to the administration.

July 6. The president and Mr. Garner engaged in a battle over the relief bill.

July 7. The House passed the relief bill in spite of Mr. Hoover's objections. The British government presented a disarmament plan, differing in many respects from the Hoover proposal, but calling for a third cut in the size of guns and ships.

July 8. The Lausanne conference reached an agreement on German reparations. Germany's future liabilities were fixed at \$714,000,000.

July 9. The so-called "gentlemen's agreement" between Italy, France, Great Britain and Belgium made final ratification of the Lausanne accord contingent upon adjustments by the United States of war debts owed to it. The Senate passed the relief bill.

July 10. A revolution broke out in the state of Sao Paulo, Brazil, spreading to other states.

July 11. The two-billion dollar relief bill was vetoed by the president. Secretary Mills opened the Republican campaign with an address at Boston in which he assailed the policies of the Democratic nominee.

July 12. The Senate passed a new relief bill along lines recommended by the president.

July 13. An accord between France and Great Britain by the terms of which both countries agree to consult on European problems was announced in London.

July 14. Answering a number of rumors to the effect that the American government had participated in the Lausanne agreement, President Hoover denied these charges in a letter to Senator Borah.

July 15. The League of Nations Council took steps to call a world economic conference in the fall. President

Hoover and members of his cabinet voluntarily reduced their own salaries. Prime Minister MacDonald and Eamon de Valera conferred in London on the Anglo-Irish troubles but failed to reach an agreement.

July 16. Congress adjourned after a seven and one-half months' session. It passed the relief bill and the home loan bank bill. The bonus army made a desperate attempt to secure legislation on the bonus before the adjournment of Congress.

July 18. A treaty between the United States and Canada providing for the development of the St. Lawrence-Great Lakes waterway was signed in Washington.

July 20. By means of two emergency decrees, President von Hindenburg of Germany placed the state of Prussia under federal control by appointing a commissioner and established military rule for Berlin and the province of Brandenburg.

July 21. The British Imperial Economic Conference opened at Ottawa with nine nations represented. The Interstate Commerce Commission authorized the consolidation of 295 railroads in the east into four main lines. The president signed the relief bill without comment.

July 22. President Hoover signed the home loan bank bill.

July 23. Senator Borah urged war debt cancellation or revision in a nation-wide radio address. Chancellor von Papen conferred with German state premiers to explain the federal government's action in setting up a dictatorship over Prussia. The World Disarmament Conference at Geneva adjourned until January 29, after Germany and Soviet Russia objected and eight countries refused to vote.

July 24. The Supreme Court of Germany upheld the government in its placing Prussia under federal control.

July 26. Atlee Pomerene, former senator from Ohio, was chosen by the president as a member of the board of directors of the Reconstruction Finance Corporation. A National Economy League was organized for the purpose of fighting extravagance in government expenditures.

July 28. The "bonus army" was driven from Washington by federal troops called out by the president.

July 30. As the month neared an end the dispute between Bolivia and Paraguay over the Gran Chaco district assumed serious proportions as both countries prepared for war. The League Council and various neutral powers were considering means of bringing the dispute to a peaceful settlement.

July 31. Adolf Hitler failed to gain control of Germany in elections for the Reichstag. Von Papen was expected to continue in office.



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MAILING DEPARTMENT OF THE VETERANS' BUREAU IN WASHINGTON